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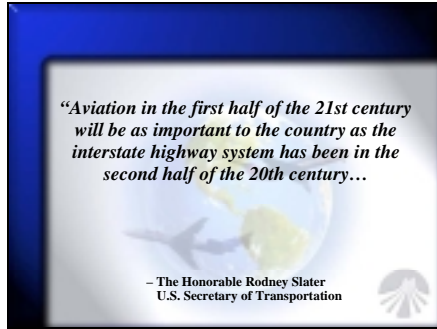
**Good morning, ladies and gentlemen. My name is Larry Cox, and I am President of the Memphis-Shelby County Airport Authority and Chairman-Elect of the American Association of Airport Executives.**

**My charge today is to share with you one of the great economic success stories of modern aviation - the story of Memphis and the role of the Memphis International Airport in helping our community to become economically vibrant once again.**

**Memphis was once the nation's fastest-growing city. The reason for the rapid growth was Memphis' geographic location and commanding presence on the nation's primary waterway.**

**That was in the 19th Century. In the 20th Century, our city declined as the riverboat era ended and King Cotton declined. By the 1970s, in the wake of the assassination of Dr. Martin Luther King Jr., *Time Magazine* even referred to us as a "derelict river town with a glorious past and a questionable future..."**

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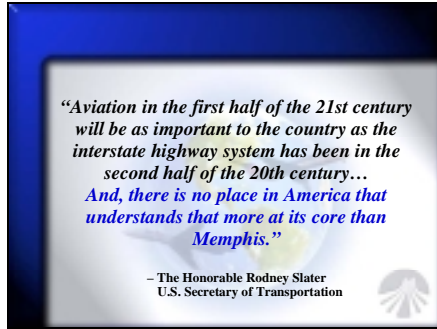
**Rather than a “questionable future,” I am pleased to tell you that aviation -- and cargo aviation in particular -- is giving Memphis hope for a glorious future.**

**As Secretary Slater noted two years ago, “Aviation in the first half of the 21st century will be as important to the country as the interstate highway system was in the second half of the 20th century.”**

**Few of us in this room can argue with the wisdom of that statement.**

**And I cannot argue with how Secretary Slater finished the sentence you see before you.**

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He went on to say: “And, there is no place in America that understands that more at its core than Memphis.”

That is true because Memphis has continued to adapt transportation technologies to its geographic advantages.

Memphis became a great city because of its geographic location, high on the bluffs of the Mississippi at the head of one of the world’s greatest Deltas...

- where most of the nation’s major railroads converge;

- where one of the nation’s largest inland ports has floating docks to accommodate up to a 60-foot variance in elevation of the Great River;

- where interstate highways north and south, east and west meet;

- and where snow is so rare that the whole city (but not the airport!) closes down if two inches falls.

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**Today good geography, plus sound planning and project implementation, have made Memphis International Airport the world's largest cargo airport.**

**Coupled with the previously existing infrastructure for rail, highway and marine travel, the airport's steadily expanding lead as the world's largest cargo airport is helping to move from the city from being "America's Distribution Center" into being the "World's Distribution Center."**

**And the economic impact of that for Memphis is nothing less than profound.**

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**It is no secret that Memphis is the world's busiest airport in terms of cargo tonnage because it is the home base of FedEx Corporation.**

**FedEx's brilliant purple, orange and white aircraft line Memphis' night skies, making Memphis International Airport the busiest airport in the world after midnight each weeknight.**

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Rank	Airport	Total Cargo (in metric tons)	% Change (from 1998)
1	Memphis	2.4 million	6.1
2	Los Angeles	1.9 million	-.7
3	Miami	1.8 million	1.5
4	Hong Kong	1.6 million	-8.8
5	Tokyo Narita	1.6 million	-5.8
6	New York	1.6 million	-3.7

*Divided chart:*

*first click shows rankings 2-6,  
second click adds MEM*

**For the past seven years,  
Memphis International has not  
only handled more cargo than  
any other airport -- it has in fact  
increased its lead.**

**Of the five busiest airports in  
terms of cargo just below us on  
this chart, note that only Miami  
experienced growth in 1999 --  
and that was at one-fourth our  
percentage rate of increase.**

**Memphis International grew  
6% between 1998 and 1999.  
It's too early to tell how quickly  
we'll grow in 2000, but we're on  
track to match or exceed 1999's  
performance level.**

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**In addition to being the world's largest cargo airport, Memphis International is also a passenger hub. We're not the biggest.**

**In fact, we're clearly a contender for the nation's smallest passenger hub. But that has its advantages --**

**we're number one in terms of on-time performance;**

**we offer our passengers, and in particular our connecting passengers, one of the most "hassle" free flight experiences in North America, and**

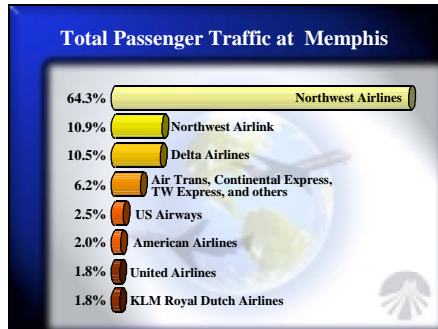
**where else can you buy 'world class' barbecue between flights without having to wait in seemingly interminable lines?**

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**Although Memphis is primarily a Southeastern hub, it is also quickly becoming a major entry point for European visitors. KLM's daily nonstop service to Amsterdam enjoys passenger loads in excess of 80%. We are hopeful that nonstop flights to Italy and to Japan will be forthcoming in the next few years.**

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*First click shows bottom 25% of passenger carriers; second click shows Airlink's 11%; final click shows NWA's 64%.*

**Memphis International's passenger carrier profile matches what you would expect of a hub airport.**

**About 25% of our total passenger volume of about 10.3 million is spread among a dozen carriers.**

**Northwest Airlink, the Memphis-based regional subsidiary of Northwest Airlines, accounts for another 11% of total passenger volume.**

**And, our hub carrier -- Northwest Airlines -- takes the rest, a whopping 64%.**



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**Cumulatively, FedEx, Northwest and other commercial interests at Memphis International Airport are responsible *in whole or in part* for one in five jobs in the Memphis-area economy.**

**This is one of the highest levels of airport job impact in the United States. Unlike other cities -- Atlanta in particular -- the primary catalyst for these jobs in Memphis is air cargo.**

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**Because shippers can accept phone orders from customers throughout North America until late in the evening, it is possible to receive an order as late as 10 p.m. Central Standard Time in Memphis and get it to FedEx by its 11 p.m. deadline for overnight shipment to be guaranteed.**

**And some shippers – such as Planet RX – are said to occasionally push the deadline much later than that.**

**This reality is spawning a new industry -- “virtual delivery,” that promises to make Memphis and a handful of other inland cities the functional equivalents of the great port cities of yesteryear.**

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**FedEx Corporation employs more than 30,000 persons in the Memphis metropolitan area, most of them within a few miles of the airport.**

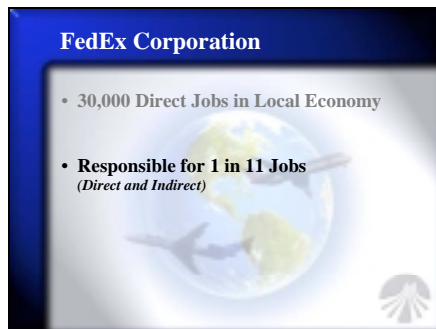
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**Those 30,000 men and women:**

- **Maintain a fleet now approaching 650 aircraft;**
- **Help fly to approximately 370 airports in 210 countries;**
- **Deliver upwards of 3.5 million packages a day**
- **And act decisively on more than 60 million electronic transmissions each day.**

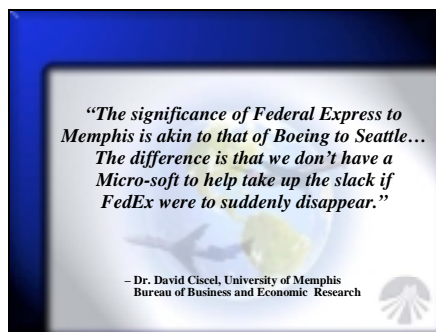
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**Using standard economic multipliers, those 30,000 jobs stimulate the creation/ maintenance of approximately 300,000 more jobs in the Memphis area.**

**In short, FedEx is the driver of the Memphis economy.**

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**Here's how an economist at the University of Memphis translates that economic reality into terms that most of us can more clearly appreciate.**

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**As one would imagine, FedEx is not only the largest employer in Shelby County, it is also the largest taxpayer, and it has great political clout in our community.**

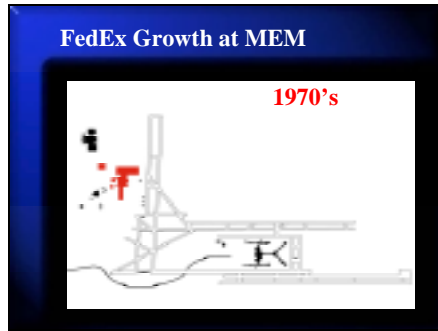
**It is instructive that when FedEx wanted to build two new state-of-the-art buildings to house its world headquarters and its technology center away from the airport, the State of Tennessee was more than happy to build a new freeway in near-record time.**

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**This is the entrance to the new technology center about 20 minutes away from the airport via the new freeway I just mentioned to you.**

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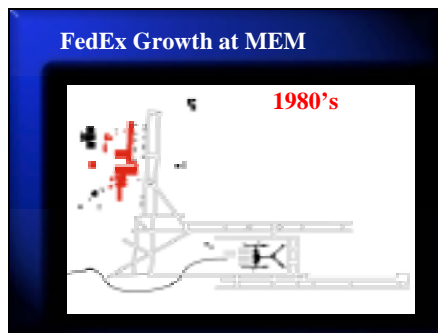
**FedEx has always had a major profile at Memphis International Airport, where it was founded in 1971.**

**The buildings in red represent FedEx in the 1970s.**

**During this period, FedEx pioneered the concept of air/ground express delivery and began its march to market greatness.**

**It launched its centralized computer system to manage vehicles, people, packages routes and weather scenarios on a real-time basis.**

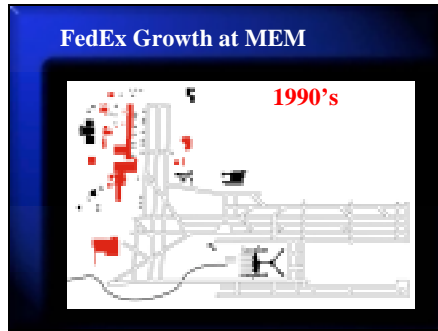
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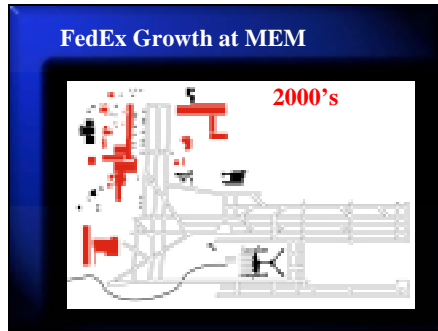
**FedEx more than doubled its physical size at Memphis International in the 1980s.**

**During this decade, FedEx expanded internationally and became the first U.S. corporation to enjoy revenues in excess of \$1 billion a year without merger or acquisition.**

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**FedEx continued to expand aggressively at Memphis International Airport in the 1990s, marking the decade by numerous service enhancements.**



**As the decade of the aughts/ double oh's or whatever we choose to call it unfolds, FedEx will continue to grow at Memphis International Airport.**

**Meanwhile, Memphis International will continue to enhance its infrastructure, offering more passenger gates, new technologies and a “we’re here to help our partners” attitude.**

**This fall reconstruction and expansion of the center runway will provide us with a two-mile long strip of pavement that we have christened our World Runway. This runway will permit FedEx and other carriers to fly fully loaded air cargo planes nonstop to most of the developed world’s major cities. We also believe it will lead to more direct international passenger service from Memphis.**

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**Memphis International Airport's other major tenant is Northwest Airlines, which uses MEM as one of its three hub airports.**

**NWA recently announced that its largest single service expansion in the company's 75-year-history will take place at Memphis International.**

**The company currently offers more than 130 nonstop flights daily to more than 60 cities. That level of service will increase to more than 175 flights per day when Northwest adds a fourth bank of flights in June 2000.**

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**Utilizing the traditional "hub and spoke" approach, NWA's Airlink subsidiary feeds passengers into Memphis International from across the Southeast.**

**From Memphis, they are then transported to most major cities nonstop on Northwest.**

**This service provides a metro region of but one million persons with some of the best air service in the world. And, it's going to get better!**



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**Combined with its regional subsidiary, Northwest Airlines has approximately 3,400 employees in Memphis today. And, more than 350 additional employees will be added in the coming months to manage increased service levels.**

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**Because of its central geographic location but low passenger origination base, Memphis is one of the best-suited cities in the nation for regional jet service.**

**Accordingly, Northwest has announced that it will base a majority of its recent order of 54 RJ's at Memphis International. Consequently, more cities will be served nonstop from Memphis and passengers now traveling on turboprop planes will have their present flight times greatly reduced.**

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**The addition of a significant RJ fleet to Memphis will permit Northwest -- and other carriers using RJ's at MEM, including United Airlines, COMAIR, American Airlines, and Continental Express -- to combine local-origin passengers and passengers connecting through Memphis International to further strengthen and expand operations.**



**Northwest is participating with the Memphis-Shelby County Airport Authority in a \$400 million project that will improve the travel experience for our passengers:**

**15 gates will be added at concourse A**

**8 gates on concourse C will be redeveloped to accommodate the new breed of regional jets (such as you saw in the previous slide) that are remaking the industry**

**a new moving sidewalk to connect concourse B and C**

**the addition of 11 new ticket counters at the front of the airport**

**a new luggage carousel**

**new flight information displays that will provide easy-to-read flight information in several different languages; and**

**major changes in gate areas, such as new video monitors, new carpeting and new furniture.**

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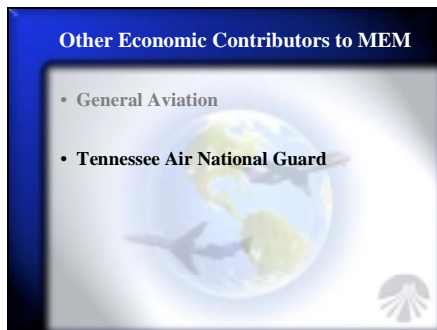
**Memphis International has two ‘world class’ FBO operations, both of which consistently rate among the best in the nation as measured by pilot publications:  
Wilson Air Center  
Signature Aviation**

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**New Signature facility opening soon in original airport building. Major renovation nearing completion.**

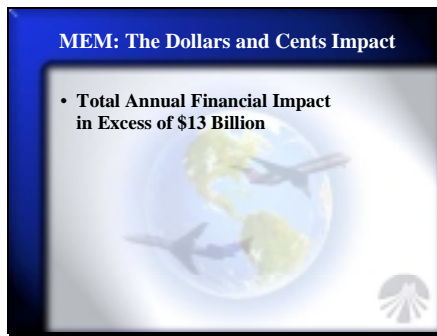
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**Fall 1998 U of Memphis study concluded:**

**Airport contributes more than \$13 billion (direct and indirect) to local economy each year.**

**Airport impacts one in five jobs in the metro area.**

**Each full-time job equivalent approaches average family income level for Memphis metro area, meaning these are very good jobs for the area.**

**Ratio of airport-related business income: roughly 9-1, cargo over passenger.**

**On a percentage basis, airport's fastest growth area is in number of international passengers.**

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**Survey also shows area-residents happy with the airport:**

**Majority of business community views airport as important to their continued economic success.**

**30% of business community respondents believe future investment decisions will be tied directly to level of services offered by Memphis International Airport.**

**One-in-five Memphis-area residents use airport for business travel, two-in-five for pleasure travel.**



**The “virtual delivery industry” -- the ordering of a product or service on day one from one city and delivery of it on day two in a second city -- was born in Memphis and will continue to prosper in our community as the Internet economy grows.**

**As e-commerce becomes increasingly ubiquitous, the Memphis economy in turn will continue to be impacted in a highly positive manner.**

**Today hundreds of acres of warehouses supporting the “virtual delivery industry” surround MEM. And, it is noteworthy that in 1998 for the first time the average per capita income in Memphis surpassed the national average.**

**No wonder Memphis International Airport is often referred to by local politicians as the “economic engine of the Mid-South.”**

**Here are some of the companies that are participating in the virtual delivery revolution in Memphis:**

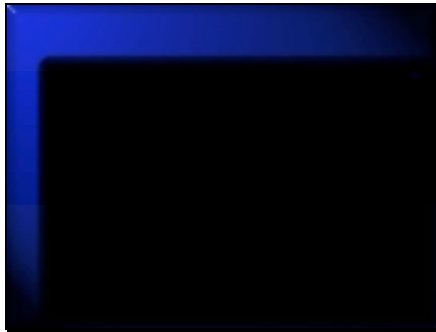
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*After logos have come up --*

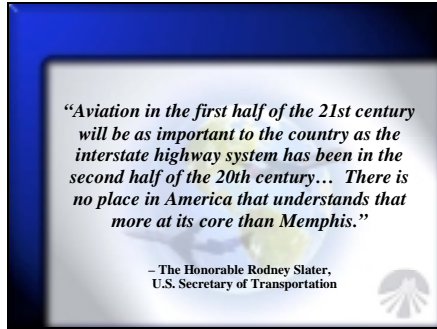
**Now permit me to show you a videotape produced by ABC News that summarizes some of the points I have been making.**

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**In conclusion, let me echo once again Secretary Slater's view that Memphis well understands the importance of aviation to our nation's economic future.**

**Because we have been working hard for 30 years to improve the Memphis region's economic base through aviation, those of us at the Memphis-Shelby County Airport Authority know firsthand what a powerful influence our industry has within our community.**

**For Memphis International Airport to continue this role ... indeed to be one of the top 10 airports in terms of continuing growth in this decade, as the FAA has predicted, will require a continuing commitment to innovation, growth and service to the air cargo industry, to the passenger carriers and to general aviation in our community.**

**I believe we are "up to it," and I believe Memphis will continue to prosper as a result.**

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